GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1634
ANSWERED ON:25.11.2016
Violation of Trading Rules
Hay Prof. Richard

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the number of cases of violation of Trading Rules during each of the last three years and the current year, State/UT- wise;

(b) the number of cases which have been investigated and the number of cases still pending during the said period;

(c) whether the Government has imposed any penalty on the companies which have violated the Trading Rules; and

(d) if so, the details of the recovery made as penalty by these companies?

Answer

THE MINISTER OF STATE
IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI ARJUN RAM MEGHWAL)

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(a) to (d) The Ministry of Corporate Affairs does not administer any Trading Rules under the following laws which are dealt with by the Ministry: -

(i) Companies Act, 2013 and those provisions of Companies Act, 1956 which are still in force (ii) The Competition Act, 2002 (iii) Limited Liability Partnership Act, 2008 (iv) The Chartered Accountants Act, 1949 (v) The Cost and Works Accountants Act, 1959 (vi) The Company Secretaries Act, 1980.

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The Department of Industrial Policy & Promotion has stated that the Foreign Direct Investment (FDI) policy formulated by it includes inter-alia trading. Any violation of FDI regulations is covered by the penal provision of the Foreign Exchange Management Act (FEMA) 1999. Reserve Bank of India (RBI) administers the FEMA and Directorate of Enforcement under Ministry of Finance is the authority for enforcement of FEMA. The Department of Economic Affairs has stated that Securities and Exchange Board of India (SEBI) investigates alleged or suspected violations of laws and Regulations relating to the securities market. Details of cases during each of last three years and the current year are as follows: -

Year(s) No of cases taken up for investigation No of investigations completed(*)
2013-14 108 120
2014-15 70 122
2015-16 133 123
2016-17
(upto Sep.30, 2016) 192 55
(*) the investigations completed during a year may relate to cases taken up during previous years.

Details of adjudication orders passed during the last three financial years are as below:

Particulars 2015-16 2014-15 2013-14
No. of entities No. of matters No. of orders passed No. of orders passed
Orders Passed 893 425 1211 619

Total amount recovered pursuant to initiation of recovery proceedings in last three years is as follows:

Particulars 2015-16 2014-15 2013-14
Amount Recovered Rs. 224.6 Crores Rs.19.2 Crores Rs7.8 crores

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